

NOTES FROM THE:

Deputy Assistant Secretary, Financial Operations



by Mr James E. Short

Knowing is not enough; we must apply. Willing is not enough; we must do.

—Johann Wolfgang Von Goethe

On 16 January 2000, I joined the Air Force financial management team as Associate Deputy Assistant Secretary, Financial Operations, under the leadership of Mr John J. Nethery. The three years since have been an absolute thrill, and some of the most challenging and rewarding years in my Federal career. When Mr Nethery retired 1 October 2002, I took over the throttles, and this is my first message to you as Deputy Assistant Secretary, Financial Operations.

I'm excited about the opportunity to lead Air Force financial operations. I come with the energy, desire, and enthusiasm to provide the clarity and commitment to transform the way we do business; to drive higher standards, better systems, and improved processes; to create the pathway to attract, recruit, educate, develop, excite, promote, retain, and mentor the highest caliber talent—military and civilian—in the country; and, to develop and instill the competence, credibility, courage, and motivation to make our financial management (FM) team a stronger and more unified community across the Air Force, Defense Department, and Federal Government.

We are living in exciting times. Today's environment demands more businesslike government—equal to or better than the best private sector organizations. Mr Michael Montelongo, Assistant Secretary of the Air Force (Financial Management and Comptroller) has crystallized the vision, *Strategic partners recognized as the ultimate source for financial and management information: a world-class team providing high quality, customer-focused decision support and financial services.* We, in Financial Operations, are not sitting around waiting for change to happen; we are on the cutting edge of these changes—making things happen—making a difference.

Financial Management Information Technology Directorate (SAF/FMPT)

In November 2002, we stood-up the FM information technology (IT) office to centralize management of FM systems, take an enterprise view of FM IT assets, improve interface with IT organizations outside FM, and improve coordination between the Headquarters, major commands, and installations on IT issues. The Associate Deputy Assistant Secretary, Financial Operations, will

lead the new Directorate and perform duties as the functional FM Chief Information Officer. SAF/FMPT will reduce costs by employing leading-edge technologies that continuously streamline financial management processes and capabilities.

Financial Management Workforce Management Directorate (SAF/FMPW)

Over the next 4-6 weeks, we will stand-up the SAF/FMPW to provide credible, knowledgeable, responsive, and aggressive management of workforce and human capital issues across the Air Force financial management community. The SAF/FMPW will develop a comprehensive and integrated workforce strategic plan that specifies the necessary requirements, resources, activities, and deliverables needed to support human capital goals and objectives so all Air Force financial managers have clarity about career progression, opportunities for promotions, and individual responsibility for development.

MY PAY

Working closely with the Defense Finance and Accounting Service (DFAS), we have transformed the Employee/Member Self Service (E/MSS) web site into a new user-friendly "MyPay" site (<https://emss.dfas.mil/mypay.asp>). "MyPay" provides on-line access to leave and earnings statements and personal tax information. It allows online changes to allotments, withholdings, addresses and other personal financial transactions. All E/MSS features are still within "MyPay", and the new site is much easier to navigate, with fewer windows to view and fewer steps to execute personal financial transactions. "MyPay" permits access or changes to transactions in just three clicks. I encourage you to visit "MyPay", process personal financial transaction on-line, and save a trip to the finance office.

FY03 Audited Financial Statements

On 27 December 2002, we delivered the Air Force General Funds and Working Capital Funds audited financial statements to the Under Secretary of Defense, Comptroller. Bottom line upfront: the statements are improving, but not yet auditable. Our performance indicators clearly show that our US Air Force delivers; we are operating for today and transforming for tomorrow; top talent is coming in and staying; mission

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capable rates are up; depot through-put is up; and FY02 problem disbursements are down 26% from FY01. We are aggressively resolving audit findings and improving stewardship over taxpayers' resources, but there is more to be done. There are no quick fixes, and major outcomes will require new systems, business process improvements, and culture change. With FY02 behind us, we have laser focused our attention on remaining challenges. We will increase our emphasis on timely correction of open material weaknesses, improve accountability for internal use software, determine the value of military equipment, identify site specific liabilities for environmental restoration, accurately identify and report intra-governmental transactions, improve the accuracy and timeliness of financial statement data, and increase our participation in the Defense-wide Financial Management Modernization Program.

Annual Statement of Assurance on Internal Controls

A few years ago, we streamlined our then cumbersome Management Control Program to reduce paperwork, avoid duplicate reviews, and make management control processes daily operating practices. During FY02, we closed the books on six of the 17 uncorrected material weaknesses—a daunting 35% decline. We also identified five new material weaknesses. Thanks to your due diligence and increased emphasis, the streamlined program is paying dividends. But, we will not relent. During FY03, we will place increased attention on aged material weaknesses. We will conduct joint reviews with functional managers and challenge corrective actions plans with extended completion dates; we will make age material weaknesses a senior leadership priority. We will not rest until Air Force aged material weaknesses are zero.

More to Come

We have indeed been busy and will remain so for the foreseeable future. I welcome the opportunity to lead Air Force financial operations and to share our success with you in future editions of *The Air Force Comptroller* magazine as we tackle complex finance issues such as comptroller war-planning, financial management modernization, quarterly financial statements, contingency operations spending, government travel card, government purchase card, overseas banking, contract financing, Financial Management Career Program, FY03 Transformation Initiatives, and financial management performance metrics.

